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NAVY COMMANDER DISCUSSES POLITICAL PARTIES

PY022226 Buenos Aires CLARIN in Spanish 31 Dec 80 p 5

[Text] Adm Armando Lambruschini, commander in chief of the navy, has stated regarding the possible promotions of new political parties that "in this field nothing can be imposed, and for this reason the navy would like to see the appearance of renewal political parties or new currents of opinion."

Lambruschini, who made his statements for the latest issue of SIETE DIAS magazine, added that "this is of basic importance for the renewal to be authentic, genuine and spontaneous and not the result of backstage arrangements whose purposes we unfortunately know only too well."

Regarding the political parties stattues, the navy commander said that "the military junta intends to approve it in 1981," asserting that he does not see any stagnation in Argentine society, "but I am aware of an inclination among certain sectors to stubbornly cling to old patterns without understanding that the only way out for this country is to win."

Regarding the situation of Argentine industry he stated that "I should not give any opinion now on the industrial situation of the nation. Such a highly important topic should be dealt with in the light of a large variety of opinions."

When he was asked about relations with the United States, in view of his recent visit to that country, Lambruschini said that "the foreign policies of the United States and Argentina were never opposed in their trends although, incomprehensibly, they often clashed instead of joining their forces."

In this connection he said that "I believe that now it will not be difficult to make those policies compatible with each other." Among the things on which both countries agree, he mentioned their "passion for freedom and faith in democracy and justice as expressed through the people and their acts."

MINISTRY REPORTS ON ARRESTED, MISSING PERSONS

PY021736 Buenos Aires Domestic Service in Spanish 1030 GMT 2 Jan 81

[Text] The number of persons under arrest and charged with activities linked to subversion total approximately 900 at present. Of this group 30 (as heard) have not been brought to trial yet and the court is analyzing their situation thoroughly in order to take the necessary measures. This was disclosed today by sources of the Interior Ministry who pointed out that people are being released and that authorizations to leave the country are being decreed periodically.

The sources stated that the situation of the missing persons and the claims made by their families and persons closely related to them is one of the government's main concerns, but that it is up to the military junta to take the corresponding decisions in this respect. Regarding the methods which could be adopted to solve this situation, they pointed out that little can be added on this subject and that the talks held with political leaders have not brought forth new ideas.

EGYPTIAN FOREIGN AFFAIRS STATE MINISTER ARRIVES

PY042009 Buenos Aires TELAM in Spanish 1500 GMT 4 Jan 81

[Text] Buenos Aires, 4 Jan (TELAM)--Butrus Butrus Ghali, Egyptian minister of state for foreign affairs, arrived at Ezeiza International Airport on board Aerolineas Argentinas flight 125 at 0859 today. The Egyptian minister brings the personal greetings of President Anwar as-Sadat to his Argentine counterpart Jorge Rafael Videla. He will meet tomorrow first with Argentine Foreign Minister Carlos Washington Pastor and later with General Videla.

GARCIA MEZA ADDRESSES NATION AT YEAR'S END

PY012012 La Paz Domestic Service in Spanish 1717 GMT 31 Dec 80

[Yearend message to the nation by Bolivian President Luis Garcia Meza speaking from Government House--live]

[Summary] Members of the junta of commanders in chief, Messrs Ministers, members of the military high command, chief of the Bolivian police, ladies and gentlemen, people of Bolivia:

I wish to thank the armed forces for their support and loyalty over the past 5 months; the workers because they have not let themselves become involved in foreign interests, because they have incorporated themselves into the social peace that we are experiencing and because they have come to understand that discipline and sacrifice are undeniable principles of the process of national reconstruction; the businessmen because they are finally becoming aware of humaneness in their dealings with the workers; our brother peasants because of their active participation on the new process and because they are the national majority. I wish to honor the Bolivian woman. I wish to greet the young people who are preparing for the future, and all the other sectors that make up the Bolivian nation.

Our internal policy has had fruitful results because it has granted guarantees and opportunities for every inhabitant and because our actions have been based on the principles of sovereignty, social unity and the intention of marching toward progress.

"We are nationalists because nationalism is rooted in us and because we reject totalitarian extremism and the capital of the oligarchy. Nationalism grants top priority to moral and social values and aspires to build the nation-state which is legally autonomous, politically integrated, economically pluralist and functionally the defender of its own.

"Terrorism, subversion and extremist demagogy have no room here anymore; instead, the universal principles of human rights are the basis of the duties, responsibilities and obligations of the citizen. The curfew can in no way mean a violation of human rights. On the contrary, it has contributed toward the unity of the family, toward the exercise of the citizen's responsibility and toward the principles of morality and discipline, upon which the new Bolivian society will be built."

Since we came to power, our main emphasis has been placed on the economy which is in a critical state. We also have said that as a responsible government we have promised not to deceive the people with demagogic words and we therefore have to say that all our troubles have been inherited from the lack of capability of previous governments.

The government of national reconstruction not only inherited the treasury's critical situation, but it also inherited a public sector that was heavily burdened with debts. One of the most delicate matters that we inherited in this sector was that of the external debt, whose renegotiation is being discussed with the pertinent banks.

The agricultural, mining and oil sectors had negative results this year and the industrial sector had a growth rate of barely 1 percent. The construction sector has been very badly hit by the economic crisis and goods and services decreased during the year.

This critical panorama obliges us to urgently implement corrective economic and financial measures to overcome previous incoherent economic policies. We will do so energetically and decisively with the assurance that today's sacrifices will result in future benefits.

To begin with, the public sector has the obligation of rationalizing its actions and improving its production levels. The oil sector has had overall negative results and fuel consumption during 1980 has been the highest in our history. The production cost of fuels continues to be higher than prices to the consumer and therefore the subsidies must be eliminated. During the next decade, there will be absolute control over all fuels and means will be sought to supplant them with natural gas.

Through the investment law, the government of national reconstruction plans to stimulate the creation of industries with national and foreign capital.

The Bolivian Development Corporation, which has a very large debt with the central bank, and the Rice Growers Federation are to be reorganized because of their very bad disorganization.

Regarding the mining-metallurgy sector, which is experiencing a very serious crisis, we have carefully studied the situation and have outlined an emergency strategy that will allow us to energetically reactivate this sector.

Within the international sphere, Bolivia has clearly outlined its position, stressing that it is against any sale of any type of noncommercial reserves.

But it is necessary to state that the government has lost $64 million in revenues due to strikes instigated by people from abroad. The overall deficit of the state mining sector has been estimated at (?325) million dollars. To overcome this situation, the new investment law will permit that sector to import all that it needs to increase production.

The foundry sector also has lost money. This sector also will be revamped and natural gas will replace fuel oil for the running of the foundries.

The armed forces actively are participating in development projects through the Defense Ministry and they even helped out with the sugarcane harvest due to the lack of laborers.

The government of the armed forces has given the agricultural sector top priority and it plans to consolidate agrarian reform. A rural technical university will be created in 1981, thus providing the country with rural technicians. The Bolivian agriculture bank also will be reorganize to obtain the very much-desired support of the World Bank.

To overcome the necessity of importing foodstuffs, stimulus will be given to food processing plants that are already in production and investment in this sector will be sought. Various development projects also will be undertaken to eliminate the import of foodstuffs.

Regarding the military, we can say that one of the important achievements was the creation of the Aeronautics Ministry, which will have the main task of coordinating the functions of civilian and military air operations. The members of the armed forces are fully aware of the need to strengthen the military in accordance with new technology. Therefore, our first action in this area will be to provide adequate training to military personnel in military institutes.

In the social area, our country had to bear during the last 3 years the burden of strikes which represented many hours of work and much money lost. Since the government of national reconstruction took over the government, the Labor Ministry has received the support of the Bolivian workers because it has guaranteed good labor-management relations aimed at enhancing the people's well-being. The document released by the armed forces on 18 July helped to establish stability in labor matters because it implemented a policy of social justice. The social program of the process of national reconstruction has the objective of guaranteeing a minimum basic salary, creating new jobs, ensuring social security benefits, providing technical training to workers and ensuring the normal functioning of union and business organizations.

A new system of cooperatives has been created for the rural areas. The national cooperatives institute has been reorganized and a special commission to implement the new general law of cooperatives has been created.

In the educational field, we believe that education is essential to strengthen our sovereignty and independence. Education should be considered a factor for development. Therefore, it should function as an integrated system. It must be creative and with permanent innovations. The national commission to reorganize Bolivian universities was created with the prupose of reorganizing the system so that it can better serve the interests of the nation. Priority will be given to training the technicians the country will need in the next few years to carry out an overall and harmonious development.

Regarding housing, there is a need to establish a national housing program in accordance with the socioeconomic situation. The Urban Development and Housing Ministry has found it necessary to rewrite housing laws in order to better accomplish its mission. The ministry is now implementing several housing development programs.

Regarding health and social security, new programs will be implemented in this area for the community. Extensive vaccination programs have been carried out, especially among children. The program to erradicate malaria has been very successful. The armed forces also have contributed to the social development of the country by carrying out civic action programs in building schools, health centers, bridges and roads in rural areas. It also has provided logistical support to areas far away from urban areas and has cooperated in health campaigns in the border areas with military and civilian medical personnel.

"Since last July, the international front has become the most sensitive and strife-ridden area. This is because groups of politicians of the opposition living abroad have promoted an orchestrated slander campaign to discredit the new government, although there was an environment of normality in the country. In addition to this, several diplomatic officials supported this campaign and some embassies and consulates were taken over. This is why the government decided to suspend diplomatic relations with Nicaragua: because its behavior toward Bolivia was inadmissible.

"When the government of national reconstruction of the armed forces was installed, some EEC members, members of the Cartagena Agreement and the United States decided to condition their assistance to our country. The demand that Bolivia adopt a predetermined political policy to get assistance is a clear violation of general and specific international laws. This demand which is contrary to the principle of national independence has been rejected by the government. Nevertheless, Bolivia never failed to attend meetings of international organizations, where we have conveyed the environment of peace and order prevailing in the country and our continued adherence to commitments contracted with the international community.

"The attitude that the current U.S. Government has adopted toward our country is well known. Bolivia is confident that the relations between the two peoples soon will return to their normal course for the mutual benefit and the spiritual unity of the hemisphere."

It also should be pointed out that contrary to the unusual, unfriendly position taken toward our country by Venezuela, Colombia, and Ecuador, our relations with other sister nations like Uruguay, Paraguay, El Salvador, Mexico and Costa Rica are cordial. The FRG was the first EEC nation to recognize our government. Bolivian relations with the majority of the socialist countries of Eastern Europe are cordial and the Japanese Government has shown its excellent disposition to give assistance to Bolivia. In our own area, the bilateral agreements with Argentina, Brazil and Guatemala have been maintained in an environment of mutual understanding.

"The Bolivian maritime claim during the latest UN General Assembly not only got the unanimous support of the international community, but also the support of the U.S. president. During the River Plate Basin foreign ministers meeting, Bolivia was able to get the approval of four development projects. In relation to the situation in border areas with neighboring countries, the Bolivian-Chilean border commission began functioning in (Constosa), Chile, and the next meeting is scheduled for 1981. The Bolivian-Peruvian border commission also has met and approved several projects. Regarding relations between the Bolivian Government with the Catholic Church, I must say that they have improved and are now cordial."

Regarding the Cartagena Agreement, Bolivia has stated its decision to withdraw temporarily from participating in this process because of interference in Bolivian internal affairs. Regarding the River Plate Basin treaty, Bolivia has attended all the meetings. The Technical Integration Secretariat and the Planning and Coordination Ministry are in charge of studying Bolivian participation in the process of integration and cooperation, and will submit their recommendations to the government.

"Bolivians, the people from all social levels, workers, businessmen and professionals, are giving a remarkable lesson of civic mindedness because they are fully aware that we can only build a dignified, just and well-developed society in an environment of peace [words indistinct]. With the armed forces united in common efforts, we will be able to reach the objectives of well-being we all deserve to achieve the social stability advocated by the national reconstruction.

We are eager to solve the serious national problems in order to fulfill the aspirations of our people. To do this, it will be necessary to overcome misunderstandings. Every Bolivian will have to be a patriot and do his share of sacrificing for the benefit of the country and future generations. The search for a better future for our people must now become the commitment of every Bolivian.

"I pray to God that all Bolivians homes will be blessed during this new year which is just beginning and that the people's aspirations of happiness and well-being will be fulfilled. Once again, interpreting the feelings and desires of the Bolivian people and to celebrate having overcome a difficult year, we have decided to suspend the curfew for tonight. As we have said before, this curfew is not aimed at restricting freedom but at changing habits created [words indistinct] by biased interests."

BRIEFS

NEW FOREIGN UNDER SECRETARY--Foreign Minister Javier Cerruto Calderon de la Barca swore in Federico Jofre (Chavez) as new Foreign Ministry general under secretary during a ceremony at the ministry today. Jofre replaces Marcelo Ostria Trigo who resigned. [La Paz Radio Illimani Network in Spanish 0100 GMT 31 Dec 80 PY]

PRESIDENT TURBAY AYALA'S YEAREND SPEECH TO NATION

PA020443 Bogota Domestic Service in Spanish 0104 GMT 31 Dec 80

[Yearend speech to the nation by Colombian President Julio Cesar Turbay Ayala, in Bogota--live]

[Excerpts] Fellow countrymen: This year now drawing to a close has been one full of national and international events that one way or another affected Colombia's life.

During the first months, there was a violent seizure of the Dominican Embassy in Bogota by a terrorist cell of the 19 April Movement, the M-19. You will recall that as a result of that attack, 30 diplomats and a larger number of Colombian citizens became hostages. These persons had been attending a cocktail party in that embassy.

The demands of the embassy's attackers were excessive. They wanted the release of several hundred prisoners. Some of these prisoners were under arrest and some were already serving sentences for having committed crimes. The persons who occupied the embassy also wanted a $550 million ransom in exchange for not killing their defenseless and innocent victims.

The dramatic situation went on for 60 days. National and international news coverage of this case was intense. This situation, which could have represented a serious threat to democratic institutions, was satisfactorily resolved through dialogue without the national government having to give the attackers a dollar or a prisoner.

This joyful result was praised in various parts of the world. It served to prove, according to what President Carter said recently, that democracy has enough strength to defeat terrorism.

Amnesty

When the president of the republic announced to his fellow countrymen that the hostages had been released without bloodshed, he invited the subversive elements to return to democratic life and to use elections to gain the support of the people instead of continuing to spill blood upon this Colombian land.

In line with this initiative, the government presented an amnesty bill to Congress. Nothing forced the government to do this; it was the government's commitment to the peole which moved the government to take this action.

As the organ responsible for public order, the executive realizes that amnesty must be granted under conditions that will serve the cause of peace and will not give subversion new and dangerous encouragement. During the regular sessions of Congress, the debate on this bill was focused on whether the prisoners should benefit from an amnesty before those who are still bearing arms accept the benefits that the law would grant them, or whether the first step should be the surrender of the fighters before prisoners and persons serving sentences are released.

At the end of the legislative session, a majority in the Chamber of Representatives approved the bill, which, after being modified by a subcommittee of the proper constitution committee, was approved by the government.

The criticism of this bill that has been made by those who eventually would benefit from the amnesty is not based on reason but on prejudice. They believe that this is a trick and not what it really is: a respectable decision of the government to make a suitable democratic opening that would make possible a reconciliation of the Colombian family.

Congress will be convoked to a special session on 20 January. The amnesty bill will be included as one of the points of discussion of that session. The president of the republic trusts that since public order is their responsibility, the senators will approve the bill that originated in the Chamber of Representatives.

If it is approved, the president of the republic hereby reiterates his decision that once the bill becomes law and those up in arms accept its dispositions, the next step will be the lifting of martial law and a return to normalcy.

The Task of Congress

The Congress of the republic has studied important bills and while it is true that these bills did not go the entire distance, many of them were [word indistinct]. This is the case of the bills concerning the office of the attorney general, amnesty, government intervention in private savings, the strengthening of municipal treasury through the payment of the [word indistinct] tax on power enterprises, the administrative disputes code, medical ethics, the extension in the duration of the Agrarian Bank [prorroga de la duracion de la caja agraria], modification of the family subsidies program, the creation of the administrative department of cooperatives, the strengthening of the Family Welfare Institute and social security.

During the past two legislative sessions, Congress issued a legislative act creating the Department of Caqueta, to which the government has given great importance because of the significance that that region of the country has for the economy and because of its public order situation. The bill that will be drafted in connection with that legislative act will be presented at the special session.

Relations between Congress and the executive have been the best possible and important work has been done without weakening the oversight functions of Congress and without the executive refusing to explain all its actions in a completely satisfactory manner.

International Policies

The president of the republic has wanted to give great importance to international policies. He has not hesitated to handle them. In this world troubled by political, economic, social and religious problems and shaken by inflation and the energy crisis, it is necessary to be on the alert to avoid a rude awakening and to safeguard, according to one's own capacity, the unparalleled asset of peace.

As a result of the presidential trip of 1979, we signed several agreements that have gone into effect and are beginning to have their effects. This year, the president went to Lima, Quito, Panama, the Dominican Republic and Honduras and has been able to contribute and to give encouragement to the Andean Group. He has also been able to improve relations between Colombia and Central America and the Caribbean. It is evident that our country cannot be indifferent to anything that happens in an area that for good or for evil has a great influence on Colombia. Recently, at the Santa Marta presidential meeting, the willingness of the countries of this region to contribute as much as possible to help the countries of the Caribbean overcome the difficult conditions they face was confirmed.

When mentioning agreements, the president of the republic must point out the agreement reached with the Republic of Panama, which was signed in Monteria by Foreign Ministers Uribe Vargas and Ozores. This agreement guarantees Colombia broad rights of travel through the Panama Canal and on the Panama railroad. That international agreement made evident the fraternity that exists between our two people as well as the resolved will of President Royo and Gen Omar Torrijos to strengthen old and unbreakable links between two nations that once formed a single fatherland and have common obligations.

It would be unjust not to point out the brilliant participation of Foreign Ministers Uribe Vargas and Ozores in the drafting of the Monteria treaty, which, to our satisfaction, has been approved by the Assembly of Corregimiento Representatives of Panama.

Venezuela

The talks between the negotiators of Colombia and Venezuela, which have been aimed at overcoming differences on sea limits, have advanced more than on any other occasion. Never before had the negotiators coincided so much on a [word indistinct] hypothesis.

In Venezuela, more than in Colombia, the attitude of the negotiators has been heatedly commented on and it has been observed that a belligerent minority has set in motion a campaign that does not contribute to good Colombian-Venezuelan relations.

However, it is my opinion that this type of international campaign, which is expressed by posters on the walls of cities and through paid advertisements in the communications media, represents neither the official disposition of the Venezuelan Government nor that of the big political parties of Venezuela.

Since the Colombian Government is fully aware of the fact that differences with the sister republic of Venezuela cannot be ignored without running the risk of these differences becoming more difficult later, it is prepared to renew talks as soon as the Caracas Government is of the opinion that the necessary conditions are present for such a renewal.

Anyhow, in ratifying the cordiality that exists between the presidents of the two nations and their respective governments, it is not unsuitable to announce that we are not responsible for the suspension of the dialogue and that, on the contrary, we are convinced of the reciprocal usefulness that a renewed dialogue will have.

The Economy During 1980

It is easy to understand that an evaluation of the performance of the economy during the year now drawing to a close cannot be abstract and cannot fail to refer to the circumstances that conditioned, and to a large extent determined, the general economic results.

One must judge the quality of our development efforts and analyze the general results obtained within the scope of the internal and external restrictions and bearing in mind the objectives which determined our economic policy. If this is accomplished in the manner described, then undoubtedly the overall performance of the Colombian economy during 1981 was satisfactory. Although our growth rate is going to be lower than that of the past 2 years, we must bear in mind that this crisis of expansion was accompanied by three parallel results that are very positive and which compose a favorable general picture of the economy.

I am referring to, first, the fact that inflation was reduced to a level lower than that of 1979. The average increase of the consumer price index will probably be about 26 percent. This relative success of the stabilization policy is particularly significant if one recalls that during 1980 the monetary policy has had to absorb an increase of more than $1.1 billion in international reserves as well as the execution of the shock investment programs [programas de inversion sismica] of the national integration plan.

Additionally, since the beginning of the year the government adopted several measures aimed at rationalizing the [words indistinct] of the monetary policy and institutionalizing credit. Perhaps the [words indistinct] and other government decisions resulted in [words indistinct].

These special circumstances explain why now it does not seem probable that we are going to be able to reduce the growth of the means of payment to levels lower than those registered (?prior) to 1979.

The second important objective accomplished during 1980 was that of maintaining a policy that was as realistic as possible for domestic energy prices. In implementing this policy, the price of gasoline was increased from 26 to 44 pesos during the year, an increase of 69 percent.

National Integration Plan

We have also made unparalleled advances in the (?field) of an economic infrastructure. The investment budget of the Public Works Ministry went from 9.223 billion pesos in 1978 to 18.572 billion pesos in 1980, which represents an increase of 101 percent.

The budget of the Mines and Energy Ministry increased 244 percent, passing--in the same period--from 2.739 billion to 9.423 billion pesos. [figures as heard] I could go on quoting figures and describing many other instances of extraordinary budget increases during the execution of the national integration plan, such as the increases in agricultural credits, the highest ever percentage of accomplishment of the (DRIL, PAN, and ICC) programs or that of the works at new airports by the National Aeronautics Fund; or the larger investments of the Colombian Family Welfare Institute and the Children's Welfare Fund; but then I would go on forever.

All I would like to stress to the public is that never before in these past decades has the country been committed to such an ambitious, balanced and realistic plan, which was drawn up taking into account our vital needs as well as the limitations of our stabilization policy.

As the year comes to a close, the outcome is satisfactory and confirms that in spite of all the difficulties it is possible to grow with relative stability.

It is also important to point out that the national integration plan is going to fulfill a decisive role as the reactivator of the economy, at a time when the economy appears to be entering a period which demands an antishock policy [politica antisismica] in the face of changing external factors and difficulties and specific instances of unemployment.

This antishock function of the national integration plan was planned in advance and has not just fortuitiously become one of a (?number) of economic tools. From 1979 one could see that the external sector could not indefinitely continue to be the main factor for expansion.

Although the national integration plan fulfills a very important antishock function its scope is not limited to the near future. This is not so. Its medium- and long-term objectives are aimed at ensuring that the country will grow in a balanced fashion, that income and employment will be redistributed, and that the country will build the indispensable economic and social infrastructure without which in a short while we would encounter a grave crisis of stagnation, unemployment [words indistinct]

Fiscal Problem

Most observers of the financial situation of the Colombian public sector have perceived an important fact which has been causing special concern to the government for a long time: the fiscal problem that the country is facing. Although this is not the occasion to present a detailed analysis of the origin, nature and consequences of this alarming problem, I do think that I must warn the country that we are close to a situation that is going to demand harsh corrective measures.

Until now, the national fiscal weakness has been remedied by using two types of temporary solutions which we cannot continue using indefinitely. In the first place, we have resorted to external financing. Allow me to recall that in mid-1979, nearly 14 billion pesos were allocated for the investments budget of that year, and that during 1980, also through the use of foreign financing, 16 billion pesos were allocated to the budget that is about to expire. In the second place, the critical currency exchange situation that the country has been experiencing since 1976 have given rise to an extraordinary fiscal dividend through the special exchange account which, during 1978 and 1979, produced 14.35 billion and 26.3 billion pesos respectively.

It is estimated that in 1980 this account is going to contribute no less than 38 billion pesos to the budget. The combined effect of these two resources has been notable and has permitted the financing of public investments at a fast pace. But these resources are not stable. They are not the product of an authentic greater fiscal effort or the product of internal savings, and sooner or later they will have to be replaced by greater ordinary fiscal income and by greater efficiency in our public spending.

The grave situation of a scarcity of income has been temporarily attenuated by the two factors that I have already mentioned, but the overall fiscal situation has worsened as a result of very worrisome processes through which the national budget must be (?reduced) while at the same time being forced to assume new and costly obligations.

An example of this are the provisions of law 43 of 1975 regarding the decrease in the ad valorem tax on coffee exports which became effective a few weeks ago. This trend cannot continue indefinitely. The requirements of national development demand a very large fiscal and financial effort, and it is simply not possible to obtain these moneys from a greater public and private capitalization without paying the cost that this entails.

Labor Policy and Employment

Although the gloomy forecasts regarding unemployment made by a team from the ILO in 1970 did not come to pass, its recommendation that the country must maintain a permanent and vigorous effort to ensure adequate levels of employment in both urban and rural areas is still valid.

Until now the economy has been in a position to absorb a large part of the new supply of labor and this is how, in spite of the existence of growing rates of participation, unemployment for the most part has not reached intolerable levels.

But, along with this favorable situation, worrisome problems continue to exist, such as the slow growth rate of productivity, and the difficulty in reducing the relative size of the so-called (?informal) sector. We have to continue working intensely on these two fronts because in the medium and long terms the only way to make sure that there will be continuous increases in the real wages of the workers, and consequently in the economy, is by increasing the productivity of the labor sector.

Colombians, I do not want to give you false hopes about a bright future in the economic field, nor do I want to strengthen the systematic pessimism of those who see only ashes around them. The truth is that many of the problems that affect us have hit our economy less harshly than the economies of countries with similar [word indistinct] conditions.

I would like to appeal to the sense of responsibility of all the political parties and groups, of the labor unions, of the forces of capital and labor, to ask them to channel all their energies toward the [words indistinct] aim of achieving public peace and harmony in our fatherland. [words indistinct] All problems one should appeal to reason; we hope that everyone will resort to intelligent solutions and not to defiant de facto actions.

In wishing each and every Colombian a new year full of satisfaction, I would like to express my gratitude to the political leaders of the Liberal and Conservative Parties, to the media, to Congress, and to the people in general for the patriotic cooperation that they have given the government in facing the problems of today, and in answering many of the questions arising from popular anguish. Good night.

PRESIDENT ADDRESSES NATION IN YEAREND SPEECH

PA021356 Quito Domestic Service in Spanish 0102 GMT 1 Jan 81

[Yearend speech to the nation by Ecuadorean President Jaime Roldos on 31 December 1980--live or recorded]

[Excerpts] Allow me to remind you that we have inherited many economic and social problems. We inherited a fictitious economy maintained by [word indistinct] and privileges which were oftentimes obtained through administrative corruption.

We also inherited sociopolitical structures in which the freedom of the people consisted only of electoral freedom to get the people excited and to make them the apparent masters of their destiny in the mere choosing of candidates, but the day after the election the real power factors were left untouched and the decisionmaking role remained in the same hands as before.

What can be said that has not already been said about the socioeconomic structures? In this framework, the political controversy was intensified in the first few months of this year but unfortunately never in a principled debate but in a very base context which was not without buffoonery and in which injury was the sole argument. The panorama of those months is undoubtedly somber: It threatened to spread social impassiveness and to curtail administrative effectiveness.

However, reasonableness prevailed and those who were unable or who did not want to understand that democracy is not anarchy, that freedom is not license and that the setting up of farces which took away from popular unity had become ineffective were cornered in their moral misery. We also understood the scope of the trap laid out against democracy by those who had matured only in their perversity, without any consistent ideology or with positions full of a personality cult which is repugnant to the civic-mindedness of the national majority. On the other hand, major tasks were undertaken or strengthened in 1980. Many unfinished tasks which were priority tasks in the past were taken care of. We promoted them and some have already been finished.

In addition, we undertook our own projects. Many of these had to be studied or financing had to be secured for them. The big task was the adjustment of economic and social measures to avoid an imbalance and forestall a crisis. Perhaps that is why our work has been diminished or minimized, because we had to act more in reaction rather than on our own initiative, out of [word indistinct] rather than in order to implement, and out of a circumstancial need rather than as the result of an overview of all the unsolved problems inherited from the past. Despite all that, planning and the adjustment of planning by means of the 1981 operation plan permits us to move within the economy with full awareness of the problems and to gradually adopt those solutions that should be implemented.

We have said many times that 1981 will be a very difficult year. We are not saying this from a pessimistic standpoint but from a profoundly realistic point of view because the Ecuadorean people can find valid solutions only by being aware of the problems and the national government is dutybound to reason and to explain each and every measure adopted, why it was adopted and its effects. However, despite the difficulties, 1981 will also be a year of advancement, consolidation and the beginning of the implementation of major projects which will set in motion major economic resources and will permit the creation of new job sources.

The airports of Quito, Guayaquil and Cuenca; the Guayaquil-Daule and Quito-Jambeli highways; the Cuenca-Azogues and the Guayaquil-Salinas highways; the national road network; the major feeder road and bridges program; the construction of schools and the supply of equipment to technical schools; the mass urban housing plans and the beginning of work on rural housing; the Daule-Peripa project, the (Acoyama) project, and the completion of the (Faute) project; rural electrication oil prospecting; the new state refinery; the expansion of the Esmeraldas refinery; the lubricants plant; the fertilizer plant; the polypropylene plant; the Manta fishing port; the national fishing fleet; the modernization of the airport equipment; and the study of the electric railroad and the irrigation channels, among others, are material projects of great importance.

In addition to these, literacy, human promotion, cultural affirmation, community work and the expansion of the water supply and sewage systems are visible indications of what the country wants. Tax reform for the redistribution of wealth, a qualitative change in national educational reform, the integral rural development programs, the protection of the poor suburban neighborhoods in the major cities, and the affirmation of land and administrative reforms in 1981 will be fundamental expressions of this administration.

I told my cabinet today that I want them to keep in step with the national government's principles and that they should act with diligence, because not to solve social and economic problems is tantamount to provoking or generating a crisis. They must have a great ideological commitment to change, because without it failure and frustration will be sown. I have asked them not to think of transitory applause or flattery. They should think that we are ruling over 8 million Ecuadoreans and that we want to write down in history that our performance in public office was the performance of responsible and democratic men. I have told myself all this. As long as there are those who see public office only as an honor, a source of influence or as a means of gaining illegal wealth, there are also those who see in it only the adequate fulfillment of the axiom that to rule is to serve.

When I thanked the armed forces today for their greeting and appearance and when I hailed their unconditional institutional support, I told them that the military practice a sort of priesthood and that those who are not willing to live by the vows they have made to the nation and the constitution have no reason to remain in the ranks, because duty does not ask more of anyone else than it does of them. By the same token, civilians should think that the institutions in their hands can be strengthened by a responsible and democratic use of them. Otherwise, chaos sets in and it can only be stopped by force.

I told the diplomatic corps about the worrisome situation of our contemporary world. The year that is coming to an end has been a year with intensified contradictions and conflicts in the world, a year in which the antagonistic forces have taken sides, a year during which words have been a dilatory tactic which no longer deceives anybody, because the peoples have grown too much to continue to relish offers that have turned into Penelope's weaving.

The more peace is acclaimed, the more we approach the abyss of war. The more statements are made about a new international economic order, the more inflation gallops ahead and the transnationals entrench themselves in a technology that bedazzles and enslaves us. The more talk there is of the North-South talks, the more the North of abundance grows while the South of misery grows. The more talk of disarmament there is, the more weapons manufacturers fill their pockets with money while more rockets are aimed at the borders and our shattered Third World is further divided by hatred, revenge and injustice. And the only thing left to us seems to be impotent shrieks and denunciation. We seem to be a mankind with empty eye sockets, with ears without eardrums.

I have also said that 1981 therefore involves major decisions. On this occasion, when mixed emotions are felt, it must be reiterated that man, as has been proved throughout his existence has not been subdued by circumstances. Man is advancing. Mankind is progressing and it is doing so because of the intelligence and the will that its children impose. Therefore, problems do not faze us or set us back. On the contrary, obstacles should prompt us to solve them and to advance with a firm step, because if we have a firm will--and we must have it--then that will and the undoubted ability of the people will make us forge a happy 1981.

PRESIDENT BELAUNDE ISSUES 'BALANCED BUDGET'

PY310249 Paris AFP in Spanish 1846 GMT 30 Dec 80

[Text] Lima, 30 Dec (AFP)--Upon issuing the 1981 general budget law last night, Peruvian President Fernando Belaunde Terry said that 1981 will be a year of recovery for the Peruvian economy and a year of fighting inflation.

He said that this is a balanced budget--it totals 1,859,000,000 soles ($5.47 billion)--and he expressed thanks for the work carried out by the Congress and the Constituent Assembly that was presided over by the honorable and beloved republican Victor Raul Haya de la Torre and present Senator Luis Alberto Sanchez.

Belaunde noted that the path to development is a difficult one.

He reasserted that he will fulfill the promise he made to achieve "full employment, full self-sufficiency and complete freedom, the latter of which already has been achieved."

He also defended the recently issued oil tax law which has been severely criticized by the opposition, by noting that he could not have risked leaving his successor without energy resources just because he wanted to indulge in demagogy.

Belaunde also praised the faith that the Peruvian people have in the Popular Action Party, which he leads. He noted that his party won 106 of the 148 provincial governments, that is, 70 percent of the total.

He said that 1980 was the year of returning Peru to the democratic path and that this was achieved through the will of the people and through the role played by the armed forces, which called the elections.

Belaunde also condemned the wave of terrorism that has been unleashed by extremist groups. Moreover, he repudiated as grotesque and absurd the dogs that appeared in Lima a few days ago, hanging from lamp posts with dynamite sticks in their mouths.

MINISTER ANNOUNCES ANTITERRORISM OPERATION

PA042345 Lima EL COMERCIO in Spanish 23 Dec 80 p 1

[Text] Interior Minister Jose Maria de la Jara y Ureta yesterday announced the implementation of a vast operation coordinated by the police forces to fight against terrorism. The operation also will have the logistical support of the armed forces.

He indicated that selected members of the Peruvian investigative police and the civil and republican guard will participate in the plan, which is directed by the Interior Ministry. He said, "It is hoped that the plan will stop the act of terrorism." The minister noted that "in recent days, there has been a decrease in these acts."

De la Jara indicated that this program is being implemented with the resources of the three aforementioned police institutions but that the logistical support of the armed forces has been requested for those instances in which various means of transportation that "we do not have, such as helicopters and so forth, are needed."

He also said that evaluations are being made regarding the damage caused by the various terrorist acts in the country. He said the report on this is expected within 1 week. He added that the main damage caused by the terrorists stems from the blowing up of electric power towers while most other damage is minor: to doors, windows, roofs and so forth.

The minister also said that the police are investigating various recent terrorist acts in which, according to a local newspaper, some foreign priests were reportedly involved. According to the minister, he is unaware of this and he stressed that he does not believe that "the church as a church can be involved in a plan of such a nature..."

ANTITERRORIST TASK GROUP MEMBERS REPORTED MISSING

PY042152 Paris AFP in Spanish 1359 GMT 3 Jan 81

[Text] Lima, 3 Jan (AFP)--A second lieutenant and three civilian guards of an antiterrorist task unit which had captured 2 of the 20 extremists who raided a farm on 24 December have been reported missing, according to information released here today.

The officer and the three guards who were part of an antiterrorist task unit that was following a group of extremists who raided a farm in Ayacucho, 575 km to the south-central part of the country, left the village of Vilcahuaman on 29 December, escorting two prisoners to Ayacucho. Their whereabouts and fate are unknown and it is feared that they have been attacked in some inaccessible part of the Andes.

Even though the three guards are considered to be experts in this area, their commander has ordered an immediate search and a patrol already has left for the region.

In the meantime, a training center of the Shining Path extremist group has been discovered by the police in Oscollo, Apurimac, 1,000 km southeast of Lima. According to the report, armed forces recruits [as received] were being trained in that center. The guerrillas were being trained by Eucario Najarro, former military policeman and the top leader of the 30 peasant-terrorists who raided the San Agustin farm of Ayacucho, killing the owner and an employee. According to police information, Najarro is believed to be an extremely dangerous man, a karate expert (black belt) and a specialist in arms and explosives. At the training center discovered on 29 December, the police found plans for terrorist actions, documents and enough arms to destroy bridges, water supply facilities and service stations.

Local newspapers reported today that approximately 15 sticks of dynamite exploded in the main public buildings of Ayacucho early on the morning of 1 January. The same day, a local bank branch in downtown Cusco was dynamited and partially destroyed.

PAPER CRITICIZES REAGAN THREAT ON FOOD SUPPLIES

PA050216 Havana International Service in Spanish 0000 GMT 5 Jan 81

[Text] The Peruvian paper MARKA has criticized U.S. President-elect Ronald Reagan's threats to use the supply of food as a means of pressure in foreign policy.

In an editorial in its latest issue, the newspaper said that the threat made through John Block, agriculture secretary in Reagan's cabinet, reveals one of the most condemnable forms of reprisal by a powerful country to guarantee its domination in the world.

MARKA added that Cuba already knows what a food blockade is like and that revolutionary Nicaragua as well as the Salvadoran and Guatemalan people have been threatened. The newspaper noted that at the same time, Reagan has announced that he will not interfere in the affairs of Latin American dictatorial regimes with actions in favor of human rights. All of this permits one to sum up the U.S. foreign policy in the following terms: Our friends can commit transgressions and those who are against the United States can die of hunger, the editorial stated.

PRESIDENT CALLS FOR ARMED FORCES COOPERATION

PA030409 Mexico City International Service in Spanish 0300 GMT 3 Jan 81

[Text] With the help of our armed forces, we will forge ahead this year when international events and our will to develop properly will test our political maturity and national solidarity, President Jose Lopez Portillo has said during his New Year's message to the army. He feels that the commitment made to Mexico will blossom this year into an institutional life strengthened in an exemplary way by the loyalty, vigor and full identification of Mexican soldiers.

PRESIDENT'S RETINUE TO REAGAN MEETING ANNOUNCED

PA042145 Paris AFP in Spanish 2056 GMT 4 Jan 81

[Text] Ciudad Juarez, Mexico, 4 Jan (AFP)--An eminently political retinue will accompany Mexican President Jose Lopez Portillo in his meeting here tomorrow with U.S. President-elect Ronald Reagan.

An official communique indicated that the party which will accompany the Mexican president includes Foreign Secretary Jorge Castaneda, PRI President Gustavo Carvajal, Luis Javier Solana, social communications coordinator of the Presidency, and Gen Miguel Godinez, presidential chief of staff.

Reagan and Lopez Portillo will meet at 1300 (1900 GMT) in the middle of the international bridge which separates Ciudad Juarez from the U.S. city of El Paso.

They will then visit the museum of art and history of Ciudad Juarez where they will meet for 1 hour. This will be followed by a private lunch at the same location.

Reagan is expected to return to the United States at 1530 (2130 GMT).

GROUPS VOICE SUPPORT FOR FISHING RIGHTS DECISION

PA311955 Havana International Service in Spanish 1600 GMT 31 Dec 80

[Text] Political parties, the press and other Mexican groups have continued to express the nation's support for the government's decision to revoke all fishing agreements with the United States. This decision was reached after the United States refused to allow Mexican fishing boats to catch hake and squid off the U.S. coast.

Three parties, the Mexican Communist Party, the Workers Socialist Party and the Popular Socialist Party, supported the measure and said that the government should also amend the fishing law to make it a just weapon in the struggle to defend national sovereignty.

Jose Luis Castro, representative of the Mexican fishing cooperatives, said that sector fully supports the decision, since it serves to protect marine resources in the 200 miles of our hereditary sea.

The newspapers EXCELSIOR and UNO MAS UNO said in individual editorials that this is a sensible measure which should be seen as part of Mexico's persistent effort to maintain and strengthen the coherence of its foreign policy as a whole.

COSTA RICA

VICE PRESIDENT DISCOUNTS COUP POSSIBILITY

PA040311 Managua EL NUEVO DIARIO in Spanish 20 Dec 80 p 1, 10

[Excerpts] The Costa Rican vice president and economy minister, Jose Miguel Alfaro, visited Nicaragua yesterday and met with the highest ranking leaders of the revolutionary process.

The Costa Rican official met yesterday afternoon with Commander of the Revolution Bayardo Arce Castano, coordinator of the Sandinist National Liberation Front [FSLN] and discussed several matters including the presence of armed former Somozist guard groups in Costa Rica.

In an interview granted to EL NUEVO DIARIO, Jose Miguel Alfaro mentioned the rumors of a coup d'etat in his country, the possible extradition of the former Somozists guards captured for having participated in conspiratory activities and of the great esteem in which the Costa Rican people and government hold the Nicaraguan revolutionary process.

After condemning the attack on Radio Noticias del Continente, Jose Miguel Alfaro said that "it seems that in the Central American area and in the hemisphere there is a growing coordination of extreme right forces to find some means to halt the democratization processes existing among our various and respective peoples."

He emphasized that the activities of the group of former Somozist guards against a radio station, which has not violated any law, and which they decide to attack merely because some groups disagree with its political philosophy or ideological differences. "Naturally this is not an isolated local action but it part of a coordinated, long range plan."

Asked about the rumors of a coup d'etat against the Carazo Odio regime, he said: "As far as I can remember, at the end of every year there has been talk about a coup d'etat in Costa Rica. These rumors are merely a national political trait."

Nevertheless, he admitted that at this time there are in Costa Rica minority groups affected in their economic interests by the recent regulations which limit imports.

"These minorities launched a series of propaganda campaigns. First they said that we were taxing books and school supplies. This did not work. Then they said that public spending must be rationalized and unleashed a massive campaign to pressure the regime into softening import regulations."

MINISTER URGES CONTROL OF NICARAGUAN IMMIGRATION

PA041457 San Jose Radio Reloj in Spanish 1330 GMT 4 Jan 81

[Text] According to Public Security Minister Carlos Arguedas, the number of Somozists and former Nicaraguan national guardsmen currently in Costa Rica is not known. He added that their political background is not investigated when they arrive in this country to stay.

Minister Arguedas indicated, however, that it is necessary to maintain immigration control in order to prevent terrorist activities, such as the one which was carried out against Radio Noticias del Continente with the participation of former guardsmen of well-known ousted former dictator Anastasio Somoza.

EL SALVADOR

GOVERNMENT JUNTA CONDEMNS MURDER OF UNIONISTS

PA042013 Panama City ACAN in Spanish 1940 GMT 4 Jan 81

[Text] San Salvador, 4 Jan (ACAN-EFE)--The Salvadoran Government junta has condemned today's "vile killing" of collaborator Rodolfo Viera and of two U.S. unionist advisers in the cafeteria of the Sheraton Hotel in west San Salvador.

"We strongly condemn this killing and wish to express our repudiation to its authors who, through the use of violence, seek to hinder the government's pacification process," the communique states.

Jose Rodolfo Viera, 43, was president of the Salvadoran Institute of Agrarian Transformation, a post he had held since January 1980, when the Salvadoran Communal Union (UCS) was included in the agrarian reform project.

The UCS is composed of between 10,000 and 20,000 peasants and it had recently threatened to withdraw from the agrarian reform project due to differences with the government junta.

The two U.S. unionists were Michael Peter Hammer and Mark David Pearlman, both members of the American Institute for Free Labor Development.

Junta Accuses Leftists

PA050048 Panama City ACAN in Spanish 2348 GMT 4 Jan 81

[Text] San Salvador, 4 Jan (ACAN-EFE)--In a communique released today the government junta of El Salvador pointed to the extreme left as responsible for the murder of three labor leaders, two of them North Americans, last night in the Sheraton Hotel of this capital.

According to the junta communique, "the incident took place at 2300 hours in the Las Americas Restaurant of the Sheraton Hotel, where they were the only customers at the time."

"According to the investigation's initial findings," the document states, "Two well-dressed young men approximately 25 years of age entered the hotel with their faces covered and opened fire against Viera and his companions."

The three slain unionists were identified as Jose Rodolfo Viera, 43, a Salvadoran, president of the Salvadoran Institute of Agrarian Transformation (ISTA) and president of the Salvadoran Communal Union (UCS), of which the U.S. citizens Michael Hammer and Mark Pearlman were advisers.

"This new crime fits," the communique states, "within the framework of struggle to stop the process of structural changes underway in the country, especially the agrarian reform of which Viera was one of our principal leaders."

"It is worthwhile to mention that the killing of the two U.S. citizens has occurred at a strategic moment when the U.S. president-elect and the Mexican president are meeting in Ciudad Juarez and have the Salvadoran issue as one of the points of their agenda," the communique adds.

"Meanwhile, the fact that Viera was a prominent member of the UCS indicates that his killing was aimed at hindering the dialogue with the democratic left," the note states, adding: "An objective analysis of this criminal action and of the objectives noted by spokesmen for the extreme leftist groups would indicate they are responsible since only they benefit from it."

The killing of the two U.S. unionists raises to seven the number of U.S. citizens who have been killed in political violence in El Salvador in the past 30 days.

Exactly 1 month ago the bodies of four U.S. nuns were found. They were Dorothy Kasel, Jean Donovan, Ita Ford and Maura Clark.

On 17 December U.S. citizen Thomas Bracken, who had served for several years as a police adviser in El Salvador, was killed.

PRESIDENT DUARTE OPTIMISTIC ABOUT PEACE IN 1981

PA040003 San Salvador Radio Cadena YSKL in Spanish 1720 GMT 3 Jan 81

[Sercano network]

[Text] Jose Napoleon Duarte, president of the Salvadoran revolutionary government junta, told reporters that 5 million Salvadorans this year will start a drive to achieve peace and national reconstruction. The chief of state said all Salvadorans have shown the world they are against violence by daily engaging in production activities, while the leftist and rightist groups have assumed destructive functions that hurt the nation's peace and economy.

This year, we must strive to achieve our basic objective: peace. I believe, he said, that we must all join in this goal, and in this respect, the government will devise all the necessary instruments to permit the return of all those who, after reconsidering their position, may decide to join the people in the all-out effort for peace.

It is imperative, he added, to establish the democratic means so the people may express their feelings without fear; so the people may choose their destiny and rulers without impositions by violence and death; and so dialogue may be the chosen way, he concluded.

Cabinet, Ungo Appointment

PA030145 Paris AFP in Spanish 0122 GMT 3 Jan 81

[Text] San Salvador, 2 Jan (AFP)--Salvadoran President Jose Napoleon Duarte described today as "speculation" the reports on alleged changes in his cabinet and the armed forces which circulated throughout the day in San Salvador.

Durate also referred to the announcement that his former electoral running mate, Guillermo Ungo, had been appointed president of the opposition Revolutionary Democratic Front.

Ungo's appointment, says Duarte, "is evidence that the leftist still are not organized and are seeking leaders in order to rally around them."

Ungo, leader of the National Revolutionary Movement [MNR], a social democratic movement, has replaced the late leader Enrique Alvarez who was murdered.

At the same time that the announcement was made public today in San Salvador, the MNR sent Duarte a letter urging him to leave the government. The MNR said that "it is impossible to have confidence in a government which has purged the democratic and revolutionary elements" from within, making reference to Col Adolfo Majano.

In a tacit answer to Ungo, Duarte criticized the appointment of Ungo as leader of the Salvadoran opposition.

The president also ignored rumors about an alleged coup d'etat being prepared by Majano, according to reports circulation here today. Durate said that there will be future changes in the government, but these will be announced "in due time."

The Salvadoran president then exphasized that "in the meantime, everything that is said is mere speculation," thus putting an end to the rumors to this effect by the media.

Further on Cabinet Changes

PA040258 Panama City ACAN in Spanish 0154 GMT 4 Jan 81

[Text] San Salvador, 3 Jan (ACAN-EFE)--Jose Napoleon Duarte, president of the Salvadoran Government junta, will announce his new cabinet either Monday or Tuesday.

"The end of the wave of violence affecting the country shall be the main concern of the new cabinet," Duarte told "ACAN-EFE" following one of the meetings of the government junta to discuss the reorganization.

"I do not wish to mention any names just yet, as we are organizing the teams and we must be cautious as some functionaries are on their way out," the Christian Democratic president said.

"None of the persons asked if they wish to continue cooperating with the government have refused to do so, although we are only sounding out possibilities," Duarte added.

Referring to the congratulatory message received from President Jimmy Carter yesterday on the occasion of his appointment as president of the government junta, the Salvadoran chief of state said: "Carter has correctly interpreted my commitment."

Asked if he was concerned over the U.S. reaction at the time of his selection of his new cabinet, Duarte replied: "I do not believe the United States is worried about a cabinet, but about the general policy of El Salvador."

"I am not going to remove the functionaries who have done their job well. All I intend to do is to reinforce the cabinet, which in general terms is good. I believe the cabinet to be announced either Monday or Tuesday should last until the upcoming Salvadoran elections in 1982," Duarte concluded.

MORALES EHRLICH CALLS LEFT'S OFFENSIVE 'MISTAKE'

PA041355 San Salvador EL MUNDO in Spanish 31 Dec 80 p 17

[Excerpts] "It is neither the army nor the government which is defeating the extreme left or its escalation of violence, but it is all the people who do not want a totalitarian regime," revolutionary government junta member Dr Jose Antonio Morales Ehrlich said to national press representatives at a yearend party yesterday.

He stressed the attitude of the Salvadoran people who have taken to the streets of San Salvador and the country's major cities in order to participate very actively in the Christmas celebrations while ignoring, he indicated, the threats that the extreme left had been making about a "final armed offensive." This turned out to be, he added, nothing but a campaign by bad Salvadorans aimed at creating fear, panic and unrest.

Descending Curve

In response to the newsmen's questions, Dr Morales Ehrlich said that the actions undertaken by the extreme left have reached a new low and that, as is happening now, the junta had foreseen that the last months of this year would be decisive in resolving the problem of violence in this country.

"We are sure that the democratic power which we are extending nationwide will be totally defined in January or February, because the extreme left and all its clandestine terrorist organizations are declining due to a significant mistake: They undertook an armed adventure." "That has been their worst mistake and the reason for their failure," Dr Morales Ehrlich explained, indicating that for this reason the armed forces have not brought all their technical resources into play, as they are reserving all their resources for the strengthening of peace during the upcoming months.

Agrarian Reform

Asked another question about the agrarian reform process, he answered that the changes proposed by the junta, which are guaranteed by the armed forces proclamation, will continue to be implemented within a structural framework of social benefits for the national majorities.

Land Transfers

In addition, Dr Morales Ehrlich explained that payments for expropriated property will be made, just as the government has planned. It is expected that this obligation will be fulfilled as soon as possible.

He then explained that during the agrarian reform process, small and medium-sized farmers will also enjoy the government's support, even though the intention is to place large-scale agriculture and most property in the hands of the peasants. Small and medium-sized land owners have no reason to fear the agrarian reform, for they will continue to work on their property, as long as they fulfill a social function and cooperate with the Salvadoran people's aspirations.

FDR ANNOUNCES NEW LEADERSHIP; UNGO PRESIDENT

PA040238 San Salvador LA PRENSA GRAFICA in Spanish 3 Jan 81 p 4

[Text] Guillermo Manuel Ungo was elected president of the leftist Revolutionary Democratic Front, FDR, according to a bulletin received yesterday by this newspaper. The document also announced the appointment of Eduardo Calles as vice president, and the creation of a secretariat.

The bulletin also announced that a "new phase of struggle is about to start and all political, democratic and revolutionary organizations have made important changes in their internal makeup to adjust to these actions."

The communique noted that following the political murder of its national leaders in November, they have made a number of modifications which, after ample debate, were approved at a special meeting of the FDR's Executive Council on 31 December.

The bulletin reported that the Executive Council is made up the following organizations: Popular Revolutionary Bloc, BPR; United Popular Action Front, FAPU; Nationalist Democratic Union, UDN; 28 February People's League, LP-28; People's Liberation Movement, MLP; National Revolutionary Movement, MNR; MPSC [Popular Social Christian Movement] and the Independent Movement of Salvadoran Professional and Technical Personnel, MIPTES.

The announcement of President Ungo's appointment described him as a political personality of great prestige in democratic sectors, incumbent secretary general of the MNR, which is a member of the Socialist International and of the Permanent Conference of Latin American Political Parties, COPPAL.

Vice President Eduardo Calles is the present dean of the School of Agronomy of the national university and a leader of MIPTES.

The bulletin announces the creation of a secretariat to coordinate the operational tasks of the group.

The secretariat will be made up by the FDR's vice president, a representative of each of the member organizations and by two members of other democratic sectors.

Finally, the bulletin calls on the people to be attentive to the instructions to be issued by that organization in the next few days.

GUATEMALA

ARMY OFFICIAL ON BELIZEAN INDEPENDENCE ISSUE

PA050056 Guatemala City PRENSA LIBRE in Spanish 23 Dec 80 p 15

[Text] Maj Francisco Djalma Dominguez, armed forces public relations chief, said yesterday that the Guatemalan Army is ready to fulfill its duty in the case that the territory of Belize is unilaterally declared independent.

He added that the British Army stationed on the border is staging mock battles "but these bluffs do not frighten the Guatemalan authorities."

Questioned by newsmen about the British soldiers, the official said that they have been in the border region with Guatemala for some time, particularly in the areas adjacent to Peten.

Djalma noted that throughout history the British have been used to frightening many countries with bluffs. When they were owed something or had interests in a country they would anchor their ships off its coast and fire some shots.

An envoy of the government would then talk with the authorities of these countries to make claims or collect debts.

Thanks to God and to the zeal and enthusiasm which reigns among the ranks of the Guatemalan Army we have overcome that stage when such actions would frighten us. On the contrary, today we are optimistic and we will not be intimidated by the show which the British soldiers are staging on the border.

The army spokesman indicated that the armed forces are properly trained and will fulfill their duty if the territory in dispute is unilaterally declared independent.

Djalma mentioned some articles of the Guatemalan constitution which establish that the army must protect the national sovereignty and defend the physical integrity of the territory.

"In view of these constitutional mandates," he stressed, "we will have to fulfill our duty."

HONDURAS

PRESIDENT ADDRESSES NATION AT YEAR'S END

PA022140 Tegucigalpa Domestic Service in Spanish 0300 GMT 1 Jan 81

[Yearend speech to the nation by Honduran President Policarpo Paz Garcia, in Tegucigalpa on 31 December 1980--live or recorded]

[Excerpts] The most recent years have been very difficult economically. Nonetheless, we have not stopped making progress. So must so, that do not think it an exaggeration to say that throughout our history we have rarely advanced so far and that socially we have achieved such high goals that we can proclaim them with legitimate pride. We have one of the best consolidated, surest and most peaceful societies, with the greatest hopes for progress. To this let us add that, because of the patriotic vocation of the armed forces, the unchanging democratic will of the government and the exemplary civic attitude of the Honduran people, we are in the midst of a dynamic and peaceful evolution which was adjusted from the beginning to meet strict legal rules. We also have a constituent assembly that, in addition to having organized the various branches of the government, is currently engaged in the task of providing the nation with a new fundamental code, the drafting of which is well in progress.

As president of the military junta during the armed forces government, and now as president of the republic, I have maintained respect for public freedoms as an inviolate rule of my term of office. In Honduras there have been no political prisoners or exiles, freedom of expression has not been restricted, there has been no interference in the development of unionism, no (?arbitrary) limitations have been imposed on political activity and there have been no obstacles to the free movement of citizens. Thanks to the implementation of this democratic policy, the necessary conditions have been created in this country to foment the peaceful development of our economic potentials, thus strengthening all the structures of Honduran society. As a result, they are in a better position to struggle for their improvement. Unity around these Honduran goals enables unions and associations, as well as student, teacher, business, peasant, political, regional, and religious organizations of all types, to maintain a Honduran community which is united around a single goal: the maintenance of peace.

Peace is the key mission that I have sworn to fulfill, because this is the most important condition for achieving the country's orderly development. Also, due to my profound beliefs as a Christian, I hold the blood of a single Honduran in much higher esteem than all the rewards that come with power.

Peace is basically based on tolerance, which can be defined as the guarantees that protect everyone in the exercise of their rights and the practice of their beliefs. To me, tolerance means neither fear nor weakness in the face of the improper and outrageous conduct of certain rebellious individuals or groups. Tolerance ends where the limit of the fatherland's security begins.

The Honduran people have been tolerant with the small anarchical groups that have sought to promote disorder on several occasions. The people have been tolerant because of their certainty that the products of [word indistinct] and anarchy vanish just as quickly as they appear. Disorder has never created anything useful or lasting. It has, however, destroyed precious values that cannot be replaced.

Some of the promoters of social unrest have sought to further their proselytizing ends by systematically defaming this ruler, his regime and the armed forces, deplorably forgetting that the unity of our energies and our democratic ideals has made it possible to develop a clean and fully guaranteed electoral process.

The peaceful vocation of Honduran people has obtained historically important achievements that make them highly regarded among civilized nations. We have successfully managed to orient our relations with all Central American countries, despite efforts to create conflicts. As a step which is regarded as important for the continent, we achieved final peace and reestablished normal relations with El Salvador, after a period of estrangement.

In 1981 we will face serious problems that will require the full patriotic capacity of Hondurans. As a result of the joint studies conducted with the nation's driving forces, my government has decided not to levy new taxes. We will try to increase the country's revenues in accordance with the people's needs by modifying the current collection systems in order to reach those who have devised ways of not paying taxes by preparing fraudulent income tax returns or by resorting to legal tricks.

During the year that is about to begin, we will consider our biggest and most noble task to be supporting with all our energies and inflexible loyalty the happy (?birth) of the future constitutional government, which will result from the people's will, freely expressed in the next general elections.

We will continue with the national projects which are already underway. We will have the intimate satisfaction of successfully completing many of these projects, because, if there is one thing I can say here with certainty, it is that I will continue to fulfill my presidential obligations, turning a deaf ear to diatribe, ignoring slanders and (?spurning) the disrespect that some Hondurans of corrupt lineage show toward the government, the armed forces and the president of the nation.

GUERRILLA ACTIVITY REPORTED ON SALVADORAN BORDER

PA022200 Tegucigalpa La Voz de Honduras in Spanish 1145 GMT 2 Jan 81

[Interview with Napoleon Mendez Guillen, political leader of Lempira Department, by La Voz de Honduras correspondent Irma Santos; date and place not given--recorded]

[Text] [Question] It has been reported that revolutionary groups from the Republic of El Salvador have taken control of areas which are still in dispute between Honduras and El Salvador. You constantly travel through the border area. What do you think about this?

[Answer] Yes, in fact I have made several trips along the Honduran-Salvadoran border area, mainly in the municipalities of Mapulaca, Virginia, La Virtud and Valladolid. During these tours we generally hear gunfire and we have seen planes, presumably from El Salvador, that come to bomb the areas. The area of Sasalapa, near Valladolid and La Virtud, is a large area which is still in dispute between the two countries, and it is said to be totally occupied by Salvadoran guerrillas. According to the population there, approximately 8 days ago the area was bombed throughout the day by the planes. The guerrillas, apparently hiding in tunnels, fire back at the planes, using various types of weapons.

A large number of refugees have traveled to the border area where they are receiving food that is supplied mainly by international organizations. They are quite concerned about the scarcity of food.

[Question] Do you know if any Hondurans have been killed in these actions?

[Answer] Well, there are reports that some have been killed. However, such information must first be confirmed. The people in this area claim some people have been killed, including some Hondurans, but the number is presumed to be very small and caused by the disorderly conduct of the guerrillas in the area.

There are also reports that there are a lot of Salvadoran products being brought into Honduras, including cattle, perhaps in view of the difficult situation that is affecting that neighboring country.

NICARAGUA

GOVERNMENT JUNTA ISSUES YEAREND MESSAGE

PA030352 Managua Domestic Service in Spanish 0030 GMT 2 Jan 81

[Yearend message to the nation by the Nicaraguan Government junta, read by Moises Hassan--live or recorded]

[Text] Nicaraguan brothers: The junta of the Government of National Reconstruction addresses our dear and heroic people on the occasion of the yearend festivities to congratulate them and express our hope that in the year that is now beginning we will continue to work together in the construction of a new Nicaragua, with a greater national identification with the cause of the revolution as well as with greater and more solid unity.

We can say that in 1980 our people won new victories based on work, constancy, sacrifice and support for the revolutionary government and for the Sandinist Front, the vanguard of the process.

We cite as one of the basic and decisive achievements our literacy campaign, which incorporated over half a million Nicaraguan brothers into the world of learning. This was an unprecedented feat in the history of Latin America because it was fulfilled in just a few months through the sacrifice and heroic participation of our youth.

The continuation of the educational process for those peasant and worker brothers who recently became literates has been guaranteed by the people's speed primary education program, which is slated to begin in February 1981.

Another accomplishment of our process was the renegotiation, with over 100 foreign banks, of the foreign debt with which the inauspicious Somozist regime irresponsibly saddled the country. Now we have obtained new terms to meet those obligations, which are in accordance with our national dignity and sovereignty. These new terms will provide us with a broad period of grace and with new conditions for the payment of interests, all of which guarantees us a financial margin with which to further the national reconstruction project.

The goals of the 1980 economic plan were fulfilled almost completely, and we can proudly say that our economic growth rate was among the highest in Latin America. We managed to reduce the spiraling inflation rate resulting from the war and the higher prices of the oil and the manufactured products that we have to import. In our fatherland, the inflation rate was lower than in any other Central American country. In order to do this we applied important subsidies to basic consumer products such as basic grains, cooking oil, eggs, milk and collective transport. This has made the workers' real wages more solid. Salary increases were granted during this period, and although they were modest, they did benefit the lower income workers.

We also created new employment sources and the national unemployment rate was reduced to 17 percent, one of the lowest in the country's history. This means that we created over 110,000 new jobs, a number greater than the goals established in our plan. Of these, 50.000 new jobs were created in the agricultural field which shows the strength of the Sandinist agrarian reform.

Working under disadvantageous conditions, because of the critical historical situation created by the revolution, we attained an adequate balance of payments, controlling the importation of goods not needed for economic development.

We also attained a national budget with a moderate deficit that was lower than was anticipated. This was possible by means of a considerable increase of fiscal revenue and a responsible implementation of the budget.

Regarding the balance of payments, control of foreign currency and public spending, we can say with pride that we have implemented a responsible and efficient policy.

Our agricultural production also surpassed its goals. We obtained excellent harvests of corn and sorghum and atttained our goals established for rice. During this period, the rains caused decreased bean production and we shall be compelled to import some of this product during 1981.

The organization and development of the agrarian reform advanced with force and the reactivation of the industrial sector surpassed 80 percent.

The revolution worked tirelessly to promote national unity, with the active participation of the rural and city workers, of the small and medium-sized farmers, of the middle sectors and the patriotic entrepreneur. This national activity, which was channeled to help the revolution attain its final battles and benefit the great majorities of our people, was hampered at times by certain sectors whose shortsightedness has led them to irresponsible attitudes. This has ranged from a systematic misunderstanding with the process of people's defense, a systematic attack and slanted propaganda campaign, to the organization of conspiratorial adventures to which our people and government have replied decisively and firmly.

National unity will continue to be the goal of the revolutionary government, as well as its pluralist project of a mixed economy, which was conceived and developed by the Sandinist revolution. It should continue to develop in 1981.

The juridical guarantees for the participation of all the national sectors in the national reconstruction projects has been expressed in laws and decrees. Aware of the needs and goals of the revolution, it is our people who should, with their work and discipline, guarantee a climate favorable for reconstruction.

This work and discipline should be expressed in 1981 in the same manner that the government will express its efforts to establish a greater rationalization of the public spending and a greater efficiency in the operation of the state, to continue with economic reactivation until we complete it in 1981, to raise production to its maximum levels, and to establish goals for the coming year allowing us to prepare for new decisive steps in Nicaragua's economic development.

We appeal to our working people to increase their labor discipline and productivity. These are essential for attaining our economic development and our economic liberation.

National unity should also serve to strengthen our national defenses against foreign attacks and to defend the revolutionary conquests.

During 1980 more than 50 companeros gave their lives in the defense of our territorial integrity, the security of our people and the country's peace and sovereignty. These border guard companeros, members of the state security organizations, of the Sandinist police and, in general, of our armed forces, deserve the highest recognition from our people and the revolutionary government which intends to present a bill to the national State Council so that they be declared people's heroes.

During 1981 we should strengthen our defenses and redouble efforts to organize our Sandinist people's militias with the same spirit as these people's heroes. Because as long as we [words indistinct] we should also be ready to repel any attack against our country or revolution.

In 1981 we shall increase production and attain new goals in health, education, work, water and electric services, housing, production centers such as mines, banana plantations, sugar mills, penetration roads, rural highways and their maintenance. We shall also advance in communications with the Atlantic and other regions of the country. We must be aware that only the work, discipline and dedication of the Nicaraguan people will ensure this balance and that there is still much to be done in the coming years. We must solve the nation's problems, raise the standard of living of all Nicaraguans and bring welfare to all our people. This will be done only by a process of changes which has just begun and which is based basically in the increase in production and the creation of economic wealth. Defense and production will be the slogan for 1981. This year will be officially known as the year of defense and production, as will be established by a decree.

We regret that because of the decision of the clerical officials, numerous sectors of the Nicaraguan people who intended to participate in the 1 January procession this year will not be able to express their religious feelings in this manner. Our govenment, which guarantees the freedom of religion, is firmly convinced that true Christians will set aside their selfishness and love for wealth and will become generous and love their fellowman. May their policies support the actions of the Sandinist people's revolution which is today the path to the [words indistinct]. On the eve of a new year, which finds the world and our country in the midst of tension and conflicts, we are deeply concerned with the disappearing opportunities awaited by true Christians to express and strengthen their wishes for peace and justice to all men of good will.

We hope that the struggle begun by the Salvadoran people for their freedom will soon reach the goals to which they aspire. We can never forget that a scant 2 years ago we shed our blood to rid ourselves of the dictatorship and the dominating classes. This is why our people must actively support the fraternal Salvadoran people to help shape their history which is also our history.

Our fraternal embrace to all our Nicaraguan brothers united in 1981, in the coming years, united in the revolution and united around our revolutionary government and Sandinist national revolutionary front building the new Nicaragua, of Jose Dolores Prado, Benjamin Zeledon, Pedro Joaquin Chamorro, Augusto Cesar Sandino and Carlos Fonseca, good night to Nicaraguan brothers.

BORGE NOTES PRIORITY TASKS FOR COMING YEAR

PA031821 Managua Radio Sandino in Spanish 1200 GMT 2 Jan 81

[Station interview with Interior Minister Commander Tomas Borge Martinez--place and date not given; recorded]

[Text] [Borge] This is a year of struggle to increase the country's production and to increase the forces that defend the revolution. This means that production and defense are the main objectives of the revolution and will be considered priority tasks of the revolutionary process.

There can be no adequate defense without adequate production. But a satisfactory production would be useless without adequate defense. There is no revolution without a counter-revolution and it is necessary to defend ourselves agianst the counterrevolutionaries by taking care internally to face up to the aggressive threats from abroad.

Therefore, we can say that defense and production constitute the main objectives set by the National Directorate of the Sandinist National Liberation Front [FSLN], as was said in the directorate's message.

[Question] In 1980, our people responded in a vigorous and decisive response to the domestic reactionaries. Do you think they will continue their attacks?

[Answer] I have already said that there is no revolution without a counterrevolution. It is inevitable that the classes which were displaced from power should try to recover this power. It is a historical law. Therefore, no one should deceive himself by thinking that the reactionaries and counterrevolutionaries are going to calm down. It is necessary to prepare for a difficult, complex and harsh struggle and this will be the main objective of the struggle of the Nicaraguan people and their vanguard in the coming year.

[Question] U.S. imperialism has tried to intervene or is interfering covertly at this time in El Salvador and many Central American countries. Do you believe that this intervention will be more open in 1981?

[Answer] One could say that imperialism is a higher phase of reaction, and logically, imperialism is the godfather of all the reactionary and counterrevolutionary attempts that might take place in this country. Therefore, neither do we delude ourselves with the idea that imperialism will take a conciliatory position with regard to our process. One has to know how to handle political matters, but, imperialism is imperialism and will never change. Therefore, our people's struggle, which is an anti-imperialist struggle and a struggle against the local reactionaries--the instruments of imperialism in our country--will continue to be basically an anti-imperialist struggle, at the defensive level. We are trying to defend ourselves from the more or less open imperialist threat to our people.

This year Nicaragua is at an important historical crossroads and when I spoke of production and of defense, I wished to say that this would have to be a year for the consolidation of the revolutionary process.

[Question] Commander Borge, you said that production and defense are the basic tasks for 1981. How should our people prepare for defense?

[Answer] It is necessary to increase the number and quality of the people's militias. It is necessary to make the Sandinist Defense Committees more effective. Our people must prepare for combat. I believe that is most important.

[Question] Commander Borge, as interior minister and member of the FSLN National Directorate, what would you say was the most important area in which the country's security organizations have been successful?

[Answer] Every time that the reactionaries or the counterrevolutionaries have raised their heads, the state security organizations have lopped them off. I think this has been their main accomplishment.

FSLN SAYS 1981 TO BE YEAR OF DEFENSE, PRODUCTION

PA020343 Panama City ACAN in Spanish 2029 GMT 1 Jan 81

[Text] Managua, 1 Jan (ACAN-EFE)--The Sandinist National Liberation Front [FSLN] announced today that 1981 will be the "year of defense and production" in Nicaragua.

It was said that the Sandinist revolution is not exempt from aggressions in the future, and therefore the Nicaraguans must be "prepared to defend the revolution."

The Sandinists once again voiced their solidarity with the peoples who are struggling, particularly with the Salvadorans whom they offered "unconditional support."

In a special manner, they voiced solidarity with the Unified Revolutionary Directorate of El Salvador "which is fighting against oppression."

The FSLN added that through efficiency, austerity and labor discipline, this Central American nation will be able to face the difficulties and obstacles in 1981.

The FSLN document also forecast that the "periodic crisis of world capitalism" will mean in Nicaragua that this country will have to pay a higher price for the products it needs to import.

Other consequences will be a drop in the value of the products Nicaragua sells to other countries, the FSLN added in a message to the Nicaraguans.

It also said that the price of petroleum will increase, that there will be an increase in the interest rates of the loans Nicaragua needs and that it will be difficult for Nicaragua to place its export products in the market. Other difficulties which are expected in 1981 are mentioned as "various economic and political pressures for the revolution."

In a message which summarized the achievements of 1980, it pointed out that the Sandinist government has subsidized 480 million cordobas (?48 million) for the production costs of the basic articles needed by the Nicaraguans.

It said that 95 percent of the goals of the 1980 economic plan were met.

The FSLN admitted that certain mistakes were made and more could have been produced, had it not been for factors such as "the Somozist heritage, the revolutionary romanticism, lack of experience and the tremendous desire of serving the people."

This year, the FSLN is planning to fight for efficiency, austerity and labor discipline. It is planning to avoid romanticism and to put an end to bureaucratism in order to prepare better for the tasks ahead.

During the year that is coming to an end, the Armed Forces of Nicaragua have broken up 10 Somozist bands which carried out actions described as "counterrevolutionary actions."

They also eliminated 15 bands of criminals in the rural areas and 15 more bands in the urban centers of the country.

The FSLN message added that about 100 soldiers were killed in these actions defending the Nicaraguan revolution.

COMMENTARY ON TERRITORIAL TROOP MILITIAS

FL021309 Havana Domestic Service in Spanish 1145 GMT 2 Jan 81

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information" program commentary]

[Text] The idea of creating territorial troop militias has taken very deep root among our people. Women, men, children and the elderly from one end of the country to the other have expressed their readiness to join this additional force to defend their revolution.

A few days ago, we read in JUVENTUD REBELDE about an 11-year-old boy , (Roy Medis Despaine), who, with his parents' consent, asked to join the territorial troop militias and donated 200 pesos from his savings to acquire uniforms and weapons. This gesture made us reflect on the depth of our people's anti-imperialist feeling. We also asked ourselves: What aggressor could win in Cuba when even children are ready to fight for this land, this sea and this sky? If, almost unarmed and with little training, our militiamen and combatants of the rebel army fought the enemy in Giron and defeated the mercenaries in less than 72 hours, what would happen now when the entire nation learns how to use arms and is ready to go into action?

We are not a warring people. We love peace. We want to live in peace but in dignity. We do not seek war but we do not tolerate threats. In the course of these 22 years of revolution, we have been the victims of multiple aggressions, attacks against our leaders and espionage. Even our economy has been sabotaged through the introduction of plant and animal diseases and plagues. Our people have been quietly observing all this, working and building but vigilant. The enemy's blows have strengthened us. They have made us become more prepared. We have learned well in these years who our friends and enemies are and have always been.

That is why when Fidel suggested creating the territorial troop militias, the masses immediately responded. The idea spread like wildfire from one end of the country to the other. The end of 1980 was characterized by the unshakable support of the masses for Fidel's ideas. Workers, students, peasants, intellectuals and even housewives came out in favor of the militias at hundreds of rallies. The possibility that each citizen may have a rifle, a grenade or a mine for the defense of the homeland is becoming less an idea and more of a reality.

Millions of men, women and children are ready at a moment's notice to defend the revolution. Each house, block, street and inch of this territory will be zealously defended. Those who attempt to attack us will learn what kind of a people this is.

The territorial troop militias join the experienced and war-hardened combatants of our Revolutionary Armed Forces and reservists who in Angola and Ethiopia dealt a big defeat to the enemies of the African peoples.

If the Yankee imperialists dared this time to attack us again, a new Giron would take place because the bronze titan's [Maceo's] phrase is alive in Marti's homeland: Whoever tries to seize Cuba will only get the dust of its blood-soaked soil--if he does not perish in the struggle first.

CUBA, POLAND SIGN TRADE PROTOCOL FOR 1981

FL030033 Havana Domestic Service in Spanish 0000 GMT 3 Jan 81

[Text] Cuba and Poland today signed a trade protocol for 1981 which provides for a more than 25 percent increase vis-a-vis the year that has just ended. In accordance with the agreement, Poland will send to Cuba fabrics, rolled steel, automobiles, agricultural aircraft, sugar industry equipment, medicines and foodstuffs. For its part, Cuba will export to Poland sugar, citrus fruits, honey, fiberboard, marble and liquor.

DOMINICA

TWO OPPOSITION LABOR PARTIES AGREE TO MERGE

FL031740 Bridgetown ADVOCATE-NEWS in English 31 Dec 80 p 1

[Text] Roseau, Dominica, Tuesday (CANA)--Dominica's two opposition labor parties have agreed to merge, they announced in a joint statement today.

The Dominica Labor Party (DLP) led by Patrick John formed the government until it was split in June last year, amidst a popular uprising against proposed legislation which critics said would endanger press freedom and trade union rights.

Oliver Seraphin, agriculture minister under the John administration, broke away with some key members of the party, and formed the Dominica Democratic Labor Party (Dem Lab).

Both parties were, however, severely beaten by Eugenia Charles' Dominica Freedom Party in elections last July, with Seraphin's Dem Lab securing two of the 21 seats in parliament, and John's DLP, none.

The parties said in their statement that the decision to unify under the name Dominica Labor Party followed talks between their respective executives, and the decision was ratified at a beach party last weekend.

No leader has yet been announced, with the parties saying this will be done in a democratic way later.

AFP CITES TENSION OVER FOREIGN TROOPS REPORT

PA041911 Paris AFP in English 1343 GMT 4 Jan 81

[Text] Georgetown, Guyana, 4 Jan (AFP)--Tension is growing in the Caribbean state of Dominica over reports that the republic's Prime Minister Eugenia Charles plans to bring British, Canadian, and French security forces on to the island.

Last night Dominica's former prime minister, Patrick John, warned that a serious situation would develop if foreign troops were brought onto the island under any pretext.

The reports, denied by Prime Minister Eugenia Charles' government, followed rumours that army officers have been threatening the administration in Dominica with a coup d'etat.

DOMINICAN REPUBLIC

NEW EDUCATION SECRETARY, OTHERS APPOINTED

FL021426 Santo Domingo Radio Mil Network in Spanish 1000 GMT 2 Jan 81

[Text] President Antonio Guzman last night dismissed Eng Pedro Porello as secretary of state for education, naming Attorney (Andres Rafael Sainz) to replace him.

The president also named new administrators for the Dominican Electricity Corporation and the Agricultural Bank. Mr Mario Caceres Rodriguez was named administrator of the Agricultural Bank and Attorney Jose Florentino was named administrator of the Dominican Electricity Corporation.

Mr Celso Marino Hidalgo, deputy comptroller general of the republic, is now acting comptroller general. Attorney (Fidencio Marquez) was appointed comptroller and auditor for the State Enterprise Corporation. Attorney (Emigio Borunda) was named assistant secretary for education and Dr (Ramon Ledesma Perez), presidential adviser for medical and social affairs.

The appointments are contained in decrees announced last night by the executive branch's legal office.

More Changes Expected

FL031625 Santo Domingo Radio Mil Network in Spanish 1000 GMT 3 Jan 81

[Text] President Antonio Guzman might make new changes in his cabinet in the next few hours, it was learned last night at the National Palace. Palace sources told Radio Mil that they were expecting new appointments in the state's bureaucratic-administrative departments. The sources said that several decrees ordering the changes soon will be released by the executive branch.

President Guzman made some changes in his cabinet on Thursday, including the dismissal of the secretary for education and the general administrator of the Dominican Electricity Corporation. The president appointed Andres Reyes Rodriguez as new education secretary and Jose Florentino as administrator of the Dominican Electricity Corporation. President Guzman also named Mario Caceres as administrator of the Agricultural Bank and Celso Marino Hidalgo as comptroller general of the republic on an interim basis. The general administration of national properties is still vacant since the incumbent, Jose Florentino, has been named to head the electricity corporation.

GUZMAN FOLLOWERS CALL FOR MORE 'AGGRESSIVENESS'

FL031711 Santo Domingo Radio Mil Network in Spanish 1000 GMT 3 Jan 81

[Text] The Friends of President Antonio Guzman Movement [Movimiento Amigos del Presidente Antonio Guzman--MAPAG] last night called for more aggressiveness on the part of the pro-Guzman line within the Dominican Revolutionary Party [PRD]. Antonio Guadalupe, president of MAPAG, said in a written statement that Guzman's followers in the PRD are acting in a timid and vacillating manner. The behavior of the members of the Guzman faction leaves much to be desired inasmuch as they have not behaved responsibly toward the government, Guadalupe said.

The MAPAG's top leader described the governor and the mayor of Santiago as responsible people because they had come out in favor of the president's reelection. The two officials deserve the citizenry's gratitude for their valiant stand in support of (?the president), said Guadalupe.